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TAGS: [PARM](#) [KNNP](#) [MNUC](#) [IAEA](#) [IR](#) [SY](#) [GR](#)
SUBJECT: GREECE: VIEWS ON IRAN TRR AND RECENT EU FAC; SYRIA DEMARCHE
PASSED

REF: STATE 16530; STATE 15979

CLASSIFIED BY: Deborah A. McCarthy, Deputy Chief of Mission; REASON:
1.4(B), (D)

¶1. (C) SUMMARY. MFA interlocutors welcomed points explaining our position on the Tehran Research Reactor, and appreciated our interest in addressing the humanitarian issues facing Iran. They stated that due to a great divergence of views among members, the EU had not yet decided if it will apply unilateral measures against Iran, and is watching to see what the UN Security Council does first. They expressed great concern that Greece could suffer economically in the case of oil sanctions due to its dependency on Iranian oil, and significant shipping interests corollary to that - particularly if China did not support the sanctions. In a separate engagement on Syria, MFA took on board our concerns about Syrian nuclear activities and the need to for Syria to cooperate fully with the IAEA, stating our paper would be reviewed carefully. END SUMMARY.

IRAN: EU STILL SPLIT, GREECE CONCERNED ABOUT BOTTOM LINE

¶2. (C) Pol-Mil Chief delivered reftel B points jointly February 23 to the MFA's International Organizations Directorate (D1) Disarmament Sub-Section Head Loukas Tsokos, who has primary responsibility for IAEA policy, and Common Security and Defense Policy Directorate's (A11) European Correspondent Alexandros Ioannidis, who coordinates Foreign Affairs Council preparation and accompanies the Minister to Brussels monthly. Points were shared February 24 with the Middle East Directorate's (A6) Iran, Iraq, and Gulf States Counselor Grigoris Karahalios, as well. All welcomed the explanation of our position on the Tehran Research Reactor and the accompanying non-papers, and appreciated our interest in addressing the humanitarian issues facing Iran.

¶2. (C) Tsokos stated that Greece shared our views with regard to the humanitarian concerns in Iran, and was increasingly concerned at Iran's intransigence toward the international community. Ioannidis provided a glimpse into the restricted EU FAC session on Iran. He stated that while most EU members agreed that Iran had gone too far and the EU needed to do something, there was a wide divergence on the "what" and the "how" of potential EU action, and thus the FAC concluded nothing concrete. All eyes were on New York, with a general view that the EU needed to support the UNSC before implementing any additional EU measures. Karahalios added that the Council's COMEM working group on the Middle East and Gulf was set to continue discussion February 25 on possible measures the

EU could take in the trade, finance, transport, and energy sectors.

13. (C) All three were adamant on the potential damage to Greece's economic bottom line should sanctions be applied, and especially if China did not fully participate. Ioannidis reiterated the longstanding Greek concern that Greece receives approximately 30 percent of its oil imports from Iran, much of that carried by Greek ships. Karahalios said that while Greece had explored diversifying and importing more from other producers, Middle East and Gulf producers replied that production levels were booked, which would leave a thirty percent gap in Greek oil imports in the case of sanctions unless alternate sources could be found. All expressed the firm view that if China did not participate in sanctions, Chinese industry would simply consume any excess Iranian oil supply created by sanctions, and that Chinese ships would quickly replace Greek ships in the transport sector.

IRANIAN AMBASSADOR TO GREECE: WE DON'T TRUST THEM

14. (C) Karahalios stated that the Iranian Ambassador to Greece had come to the MFA the preceding week, and told them that Iran was ready to do an exchange of LEU for reactor fuel, but that Iran did not trust the U.S. and others not to keep the LEU and refuse to honor their side of the deal. Karahalios expressed the view that Iran would eventually accept an exchange, if negotiations could continue. PolMil Chief pointed Karahalios to the fact that we have offered Iran substantial assurances, and that the international community also needs a strong sign of Iran's good faith in order to give us the confidence we need following Iran's lengthy history of non-compliance.

SYRIA: POINTS DELIVERED

15. (C) Separately on February 24, we delivered to Tsokos U.S. concerns about Syrian nuclear activities and the need for Syria to cooperate fully with the IAEA. He took our concerns on board and stated that our paper would be reviewed carefully.
SPECKHARD